

Message Text

CONFIDENTIAL

PAGE 01 EC BRU 03405 231743Z

46

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 EURE-00 SAM-01 SAJ-01 SSO-00

NSCE-00 INRE-00 USIE-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 PRS-01 SP-03 FEA-02 OMB-01

SWF-02 DRC-01 /181 W
----- 014970

O P 231647Z MAY 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 6945

INFO AMEMBASSY BONN PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

AMEMBASSY DUBLIN PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY LUXEMBOURG PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY THE HAGUE PRIORITY

USMISSION GENEVA PRIORITY

USMISSION OECD PARIS PRIORITY

C O N F I D E N T I A L EC BRUSSELS 3405

E.O. 11652: GDS

TAGS: ETRD GATT EEC US

SUBJECT: ARTICLE XXIV:6 NEGOTIATIONS

REF: EC BRUSSELS 3403

1. SUMMARY. IN VIEW OF THE FAILURE OF THE EC PERMREPS
TO MOVE FORWARD ON THE ARTICLE XXIV:6 ISSUE, MALMGREN
TALKED WITH GUNDELACH AND HANNAY ON MAY 23. MALMGREN
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 EC BRU 03405 231743Z

REGISTERED SERIOUS WASHINGTON CONCERN, URGED THAT THE

COMMISSION DO EVERYTHING POSSIBLE TO GET THE MATTER SETTLED NEXT WEEK, AND REVIEWED THE TACTICAL SITUATION WITH THEM. GUNDELACH WAS MODERATELY OPTIMISTIC, SEEING ITALY AS THE MOST SERIOUS REMAINING PROBLEM. HANNAY EMPHASIZED THAT (A) SOAMES IS HOLDING FIRM AGAINST ATTEMPTS TO CHIP AWAY AT THE PACKAGE AND (B) SOAMES WILL BE ACTIVE IN BRUSSELS AND IN THE MARGINS OF THE OECD MINISTERIAL NEXT WEEK TO TRY TO SETTLE THE PROBLEM. HANNAY STRESSES THE IMPORTANCE OF GETTING BELGIUM TO MOVE SO THAT ITALY WILL HAVE LESS EXCUSE TO HOLD OUT. THIS MESSAGE HAS NOT BEEN CLEARED BY MALMGREN. END SUMMARY.

2. AS REPORTED IN THE REFTTEL, THE EC COMMITTEE OF PERMREPS ON MAY 22 FAILED TO PROGRESS IN THE EFFORT TO GET AGREEMENT ON THE ARTICLE XXIV:6 CONCESSIONS WORKED OUT BY THE US AND THE EC COMMISSION. AMBASSADOR MALMGREN OF STR VISITED BRUSSELS MAY 23 EN ROUTE TO WASHINGTON FOLLOWING A TRIP TO SCANDINAVIA. HE TALKED SEPARATELY WITH EC COMMISSIONER GUNDELACH AND WITH HANNAY, SOAMES' CHEF DE CABINET. (OTHER KEY OFFICIALS WERE UNAVAILABLE DUE TO THE ASCENSION HOLIDAY.)

3. MALMGREN EXPLAINED THE GROWING PRESSURES IN WASHINGTON IN RELATION TO THE TRADE BILL, OUR INTERNAL TIMETABLE ON A POSSIBLE PUBLIC LISTING, AND OTHER MATTERS. HE WARNED THAT IT IS BECOMING INCREASINGLY DIFFICULT TO CONTAIN THESE PRESSURES. MALMGREN STRESSED THE IMPORTANCE OF THE NINE AGREEING NEXT WEEK ON THE PACKAGE OF CONCESSIONS WHICH THE US HAS ALREADY SAID WOULD PERMIT SETTLEMENT OF THE NEGOTIATIONS. MALMGREN POINTED OUT THAT THE US HAS MADE SERIOUS BILATERAL EFFORTS TO MOVE THOSE MEMBER STATES THAT HAVE BEEN HOLDING UP AGREEMENT. WASHINGTON EXPECTS SIMILAR VIGOROUS EFFORTS BY THE COMMISSION. MALMGREN ALSO SAID THAT IF THE PERMREPS CANNOT RESOLVE THE MATTER AND IT MUST GO TO THE JUNE 4 EC COUNCIL, A US-EC CONFRONTATION COULD BUILD UP TO THE BENEFIT OF NEITHER SIDE.

4. GUNDELACH INDICATED THAT HE IS MODERATELY OPTIMISTIC.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 EC BRU 03405 231743Z

HE MAINTAINED THAT, WHATEVER MAY HAVE BEEN SAID IN THE PERMREPS ON MAY 22, SOME PROGRESS HAS BEEN MADE WITH THE MEMBER STATES AND THERE HAS BEEN NO BACKSLIDING. WHILE RECOGNIZING THAT BELGIUM HAD BEEN VERY TROUBLESOME, HE SEES ITALY AIE HEART OF THE PROBLEM. THE DEALINGS WITH ITALY ON ARTICLE XXIV:6 HAVE INEVITABLY BEEN COMPLICATED BY THE NEED TO PRESS THEM SIMULTANEOUSLY ON THEIR IMPORT DEPOSIT MEASURES IN RELATION TO THE CAP.

5. HANNAY SAID THE MOST IMPORTANT EVIDENCE WASHINGTON CAN HAVE OF THE COMMISSION'S GOOD FAITH IS THAT SOAMES YESTERDAY AGAIN GAVE HIJZEN AND WELLENSTEIN FIRM INSTRUCTIONS TO STICK WITH THE PACKAGE. HE HAS NOT GONE BACK TO THE US TO ASK THAT IT BE AMENDED DESPITE STRONG PRESSURES IN THIS SENSE BY SOME MEMBER STATES (REFTEL).

6. HANNAY SAID THAT CAREFUL TACTICAL JUDGMENTS ARE NECESSARY, PARTICULARLY ON HOW TO APPROACH THE NEW FRENCH GOVERNMENT SHOULD THEIR POSITION FINALLY PROVE TO BE A STICKING POINT. QUIET WORK WITH KEY FRENCH OFFICIALS MIGHT BE MORE PRODUCTIVE THAN DIRECT APPROACHES AT THE POLITICAL LEVEL. HE AND SOAMES REMAINED OF THE VIEW THAT GETTING THE BELGIANS TO "COME OFF IT" IS A PRIORITY MATTER SO OTHERS CANNOT HIDE BEHIND THEM. HANNAY THOUGHT SOME TORTUOUS COMPROMISE LANGUAGE COULD ULTIMATELY BE FOUND ON THE INTERNAL UNDERSTANDINGS THE FRENCH INSIST ON FOR CEREALS.

7. ACCORDING TO HANNAY, SOAMES PLANS TO TALK WITH THE BELGIAN, FRENCH, ITALIAN AND UK PERMREPS MONDAY, MAY 27, TO PROBE THEIR POSITIONS. HE WILL DECIDE FOLLOW-UP ACTION IN LIGHT OF THOSE TALKS. THE PERMREPS WILL MEET ON TUESDAY. SOAMES CAN THEN TALK WITH KEY MINISTERS IN THE CORRIDORS AT THE OECD MEETING WEDNESDAY AND HOPES TO COORDINATE INFORMALLY WITH AMBASSADOR EBERLE IN PARIS. THE PERMREPS WOULD THEN BE ABLE TO MAKE ONE MORE EFFORT ON THURSDAY.

8. MALMGREN SAID HE WOULD PROMPTLY CONVEY THE COMMISSION'S VIEWS TO THE KEY PEOPLE IN WASHINGTON BUT WISHED AGAIN TO CONFIDENTIAL

CONFIDENTIAL

PAGE 04 EC BRU 03405 231743Z

STRESS THE URGENCY OF GETTING THE ARTICLE XXIV:6 ISSUE OUT OF THE WAY SO THAT WE AND THE COMMUNITY CAN MOVE ON TO OTHER THINGS.

9. THIS MESSAGE WAS DRAFTED AFTER MALMGREN'S DEPARTURE. GREENWALD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ARTICLE XXIV 6, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ECBRU03405
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740129-0608
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740524/aaaaauwj.tel
Line Count: 160
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: EC BRUSSELS 3403
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2002 by cunninfx>; APPROVED <12 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARTICLE XXIV:6 NEGOTIATIONS
TAGS: ETRD, US, GATT, EEC, (MALMGREN), (GUNDELACH), (HANNAY)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005